

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 6d
Date of Meeting November 11, 2014

DATE: November 4, 2014
TO: Ted Fick, Chief Executive Officer
FROM: Steve Queen, Container Operations Manager, Seaport Leasing and Asset Management
Mark Lewis, Project Manager, Marine Maintenance
SUBJECT: First Reading of Resolution No 3700, declaring certain personal property surplus (Port of Seattle Aerial Work Platform SPE 527) for Port of Seattle purposes and authorizing its sale or disposal.

Source of Funds: No funding requested at this time.

ACTION REQUESTED

Request First Reading of Resolution No. 3700: A Resolution of the Port Commission of the Port of Seattle declaring certain personal property surplus (Port of Seattle Truck Mounted Aerial Work Platform SPE 527) for Port of Seattle purposes and authorizing its sale or disposal; and authorizing the Chief Executive Officer to execute all documents related to such sale or disposal.

SYNOPSIS

The 1997 Condor Model 210S Truck Mounted Aerial Work Platform (SPE 527) was purchased in 1998 for the purpose of maintaining, painting and regular inspections of the Container Cranes. At the time of purchase, this was the tallest US manufactured mobile Aerial Work Platform available. With a lift height of 210 feet, the Condor Aerial Work Platform was capable of reaching the heights required for service and crane maintenance.

The Port of Seattle (Port) turned over the Crane Maintenance to tenants in 2000. With the shift of crane maintenance, the use and utilization of SPE 527 has decreased dramatically. SPE 527 is no longer needed for Port purposes and it is in the best interest of the Port that said property be declared surplus and sold or disposed of while it is still in good operating condition.

BACKGROUND

The Condor Truck Mounted Aerial Work Platform (SPE 527), located at Marine Maintenance was purchased in 1998 at a cost of \$1,173,326 for the purpose of maintaining / painting the Container Cranes and for performing critical inspections. At the time of purchase, there was no other US manufactured Aerial Work Platform available that could reach the heights required to service the taller Post Panamax Cranes owned by the Port of Seattle.

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The Port no longer performs Crane Maintenance and SPE 527 is no longer needed. In order to maintain the maximum marketability of the Condor Aerial Work Platform, it is desirable to sell while it is fully functional and still in good operating condition. Without use and maintenance, this equipment tends to deteriorate rapidly due to corrosion.

A local auction company estimated that SPE 527 would sell at public auction within the range of \$87,000 to \$105,000.

RCW 53.08.090 provides that a port district “may sell or convey any of its real or personal property” valued at more than \$17,000 (amount adjusted annually) “when the port district has, by resolution, declared the property to be no longer needed for district purposes.”

PROJECT JUSTIFICATION AND DETAILS

Project Objectives

Advertise and sell the Condor Aerial Work Platform, SPE 527 for use by others while it is still in good operating condition.

RCW 53.08.090 requires the Commission to adopt a resolution to sell or convey personal property valued at more than \$17,000.

Schedule

December 2014 - Advertise for sale

FINANCIAL IMPLICATIONS

Port purchased the Condor Aerial Work Platform, SPE 527 for \$1,173,326 in 1998. Its estimated value at auction is in the range of approximately \$87,000 to \$105,000. The net book value of SPE 527, as of October 31, 2014, is \$210,221

Budget Status and Source of Funds

No funding is requested with this commission request.

The advertisement for the sale of SPE 527 will be funded by the Seaport General Fund.

Financial Analysis and Summary

CIP Category	N/A
Project Type	N/A
Risk adjusted discount rate	N/A
Key risk factors	Key risk factors include the possibility that no buyer will be found for the Condor SPE 527.
Project cost for analysis	N/A
Business Unit (BU)	Seaport - Containers

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Effect on business performance	The sales proceeds, of the net book value of SPE 527, will be recognized as a non-operating gain or loss on sale in the year of sale.
IRR/NPV	N/A

STRATEGIES AND OBJECTIVES

This request supports the Seaport Division's business plan strategic goal to "maintain existing assets and invest in new developments to sustain and enhance Seaport vitality" by disposing of equipment no longer needed for Port purposes.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) –Doing nothing would leave SPE 527 as is / unused in a condition where it would continue to decline in value. This is not the recommended alternative.

Alternative 2) – Adopt Resolution No. 3700, which allows the Port to advertise for sale one 1997 Condor Aerial Work Platform, SPE 527 for use by others or trade for new equipment.

This is the preferred alternative.

ATTACHMENTS TO THIS REQUEST

- Resolution No. 3700

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- March 10, 1998, Commission authorized for the Manager, Purchasing to enter a five-year sole source lease-purchase agreement for procurement of one "210 Foot Reach-all truck."